

Derrick Talerico (State Bar No. 223763)  
dtalerico@wztslaw.com  
Paige T. Rolfe (State Bar No. 331096)  
prolfe@wztslaw.com  
WEINTRAUB ZOLKIN TALERICO & SELTH LLP  
11766 Wilshire Boulevard, Suite 730  
Los Angeles, CA 90025  
Telephone: (424) 500-8552  
  
Counsel to APPLIED POWDERCOAT, LLC

**UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA – NORTHERN DIVISION**

In re:  
  
APPLIED POWDERCOAT, LLC,  
  
Debtor and Debtor in Possession.

Case No. 9:25-bk-10762-RC

Chapter 11

Subchapter V

**DEBTOR'S STATUS UPDATE IN  
SUPPORT OF OPPOSITION TO  
MOTION OF FIRST BANK OF THE  
LAKE TO CONVERT OR DISMISS  
CASE, OR IN THE ALTERNATIVE,  
REMOVE DEBTOR FROM  
POSSESSION; DECLARATION OF  
OSEI APPIAGYEI IN SUPPORT  
THEREOF**

Judge: Hon. Ronald Clifford III

Hearing:

Date: December 10, 2025

Time: 1:00 p.m.

Courtroom: 201

1415 State St.

Santa Barbara, CA 93101-2511

WEINTRAUB ZOLKIN TALERICO & SELTH LLP  
11766 WILSHIRE BLVD., SUITE 730  
LOS ANGELES, CA 90025

1 Applied Powdercoat, LLC (the “**Debtor**”), the debtor and debtor in possession in the above  
2 indicated chapter 11 case (the “**Case**”) hereby files this status update to its *Opposition to Motion to*  
3 *Convert or Dismiss Case, or in the Alternative to Remove Debtor From Possession* [Dkt. 85]. The  
4 Debtor continues positive performance, compliance with cash collateral, compliance with orders of  
5 this Court, compliance with US Trustee requirements, and the Debtor is able to reorganize in a  
6 reasonable period of time. Furthermore, First Bank of the Lake (“**FBOL**”) has not complied with  
7 this Court’s rules and direction on service and notice of its Motion to Dismiss (the “**Motion**”) and  
8 the hearing thereon.

9 FBOL remains adequately protected on account of the Debtor’s use of cash collateral. As  
10 of December 8, 2025, the Debtor had combined cash and accounts receivable of approximately  
11 \$176,000, materially more than the combined cash and accounts receivable of approximately  
12 \$153,000 that existed as of the petition date. In addition, the Debtor has turned-over \$10,000 of  
13 cash collateral as adequate protection payments to FBOL in November and December, including a  
14 timely payment of \$5,000 of “check in-hand” to FBOL’s counsel on December 1. Debtor continues  
15 to make \$18,500 monthly rent payments to its landlord and is in discussions with its landlord to  
16 stipulate to relief from stay to coincide with its relocation.

17 The Debtor currently has two letters of intent from new landlords (one in Oxnard and one  
18 in Valencia, the “**LOIs**”), which Debtor is vetting with customers and analyzing logistics to  
19 determine the best relocation to support plan confirmation and restructured operations. The LOI’s  
20 are attached as **Exhibit 1**. The Debtor expects to select its new location and finalize a lease by the  
21 end of next week, file an amended plan soon thereafter, and either proceed directly to confirmation  
22 or first hold a hearing to approve the selected lease.

23 The Debtor has not been perfect on issues of cash collateral, but is currently operating under  
24 an order approving the use of cash collateral through December 10 and the pending cash collateral  
25 order to be heard on December 10 for continued use of cash collateral is unopposed. The Debtor  
26 has worked diligently to put together a financial and operational restructuring that now has the  
27 opportunity to successfully reorganize. Debtor asks that the Motion be denied.  
28

1 Dated: December 9, 2025

**WEINTRAUB ZOLKIN TALERICO & SELTH LLP**

2  
3 By: /s/ Derrick Talerico

Derrick Talerico

4 Counsel to Applied Powdercoat, LLC  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

WEINTRAUB ZOLKIN TALERICO & SELTH LLP  
11766 WILSHIRE BLVD., SUITE 730  
LOS ANGELES, CA 90025

**DECLARATION OF OSEI APPIAGYEI**

I, Osei Appiagyei, hereby declare as follows:

1. I am the managing member of The Pella Group, LLC, which in turn is the managing member of Applied Powdercoat, LLC.

2. I make this declaration in support of the Debtor's Status Update in Support of Opposition to the FBOL Motion. Terms not defined herein shall have the same meanings ascribed to them in the Opposition.

3. As of December 8, 2025, the Debtor had combined cash and accounts receivable of approximately \$176,000, materially more than the combined cash and accounts receivable of approximately \$153,000 that existed as of the petition date. In addition, the Debtor has turned-over \$10,000 of cash collateral as adequate protection payments to FBOL in November and December, including a timely payment of \$5,000 of "check in-hand" to FBOL's counsel on December 1.

4. The Debtor currently has two letters of intent from new landlords (one in Oxnard and one in Valencia, the "LOIs"), which I am vetting with customers and analyzing logistics to determine the best relocation to support plan confirmation and restructured operations. The LOI's are attached as **Exhibit 1**. I expect to select the Debtor's new location and finalize a lease by the end of next week, file an amended plan soon thereafter, and either proceed directly to confirmation or first hold a hearing to approve the selected lease.

I declare under penalty of perjury of the laws of the United States of America that the foregoing is true and correct. Executed on December 9, 2025, at Los Angeles, California.

Signed by:  


4A02B10FBF534B9...  
OSEI APPIAGYEI

**DECLARATION VERIFYING SOFTWARE GENERATED SIGNATURE(S)**

*(Attach this declaration immediately after the signature page of any document that is being Filed and that contains a Software Generated Signature, as those terms are defined in LBR 9011-1(b).)*

I, *(print name of declarant)* Derrick Talerico, declare as follows:

1. I have personal knowledge of the matters set forth in this declaration and, if called upon to testify, I could and would testify competently hereto. I am over 18 years of age.

2. I am an attorney admitted to practice in this district, or alternatively I am an attorney who has been granted leave to appear pro hac vice per LBR 2090-1.

3. As set forth in the table below, either—

- a. Oral verification: I have obtained oral verification from the following person(s), whose Software Generated Signature (as defined in LBR 9011-1(b)(4)(B)) appear(s) on the accompanying document, that the signer intended to sign this document electronically, or alternatively
- b. Explanation: I provide the following explanation why no such verification is provided (e.g., that the signer is represented by a different attorney who will provide a separate declaration confirming their client's oral verification):

	Name of signer	Date of oral* verification	-OR- Explanation why no verification is provided
1.	Osei Appiagyei	12/09/2025	<input type="checkbox"/> See explanation below.
2.			<input type="checkbox"/> See explanation below.
3.			<input type="checkbox"/> See explanation below.
4.			<input type="checkbox"/> See explanation below.
5.			<input type="checkbox"/> See explanation below.

Explanation(s) *(if applicable)*:

☐ see attached continuation sheet

**\*Verification must be oral.** For the avoidance of doubt, verification must be oral, and any written verification is insufficient even if it includes a purported holographic signature, so as to protect against persons who might have access to the hardware and software of the alleged signer and could use such access to create (A) false Software Generated Signatures and (B) false images of holographic signatures purporting to verify those electronic signatures. See LBR 9011-1(b)(4)(B).

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

12/09/2025

Derrick Talerico

/s/ Derrick Talerico

Date

Printed Name

Signature

## **EXHIBIT 1**

### **Letters of Intent**



October 14, 2025

Mike Wax, SIOR  
**IPA Commercial**  
2011 Ventura Blvd.  
Camarillo, CA 93010

**RE: Offer to Sublease | 1400 Stellar Drive, Oxnard, CA 93030**

Mike:

We are pleased to present to you this nonbinding offer to sublease on behalf of our client, Applied Powdercoat, LLC, for the above referenced property. Our client is prepared to enter into a formal lease agreement under the following general terms and conditions:

Sublessee:	Applied Powdercoat, LLC.
Use:	Powder coating for various industries, including aerospace and defense, and all other uses permitted by law.
Premises:	1201 Maulhart Ave, Oxnard, CA 93030. An approximate 19,380 square foot industrial building.
Sublease Term:	Fifty-six (56) months expiring July 31, 2030.
Commencement:	December 1, 2025.
Early Possession:	Sublessee shall have access to the Premises, free of all rent obligation, no later than November 1, 2025, provided mutual execution of the lease, Sublessor's receipt of first (1 <sup>st</sup> ) month's rent, security deposit and certificate of liability insurance.
Base Rate:	\$1.00 PSF NNN.
Expenses:	In addition to the Base Rent, Sublessee shall be responsible for net expenses estimated to be \$0.18 PSF.
Security Deposit:	Equal to first month's rent contingent upon Sublessor's review of Sublessee's financials.
Base Rent Adjustments:	Base monthly rent shall be increased every twelve (12) months at a fixed rate of three percent (3.0%) per adjustment.

Rental Abatement: Sublessee shall receive eight (8) months of half base rent abatement. Half base rent abatement period shall be months two (2) through nine (9) of the lease term.

Condition of Premises: Premises shall be delivered in broom-clean condition with all building systems (i.e. roof, electrical, HVAC, plumbing, etc.) in good working order.

Lessor Improvements: None.

Lessee Improvements: Sublessee, at Sublessee's sole cost and expenses, shall be able to perform improvements to the Premises subject to the Sublessor's and Master Lessor's prior written consent.

Parking: Sublessee shall have the right to utilize thirty-nine (39) parking spaces at no additional cost during the sublease term.

Signage: Sublessee, at Sublessee's sole cost and expense, may install building signage, subject to city regulations and Sublessor's approval (which shall not be unreasonably withheld).

Brokerage: Sublessor shall pay Lee & Associates LA North/Ventura, Inc., as exclusive representative for Sublessee, a commission equal to two and one-half percent (2.5%) of the total sublease consideration. Half shall be due upon lease execution and the balance upon the commencement date.

Nonbinding: This letter is intended solely as a preliminary expression of general intentions of the parties and is to be used for discussion purposes only. The parties agree that this letter is not intended to create any agreement or obligation by either party to negotiate a definitive lease agreement and imposes no duty on either party to continue negotiations. The parties intend that neither party shall have any contractual or any other obligations to the other with respect to the matters referred herein unless and until a definitive lease agreement has been fully executed and delivered by the parties.

If you have any questions, please give us a call. Otherwise, we look forward to your favorable response.

Sincerely,

**Lee & Associates LA North/Ventura, Inc.**

  
Grant Fulkerson, SIOR  
Principal  
(818) 304.4956  
[gfulkerson@lee-re.com](mailto:gfulkerson@lee-re.com)

  
Michael Tingus  
Principal  
(818) 223.4388  
[mtingus@lee-re.com](mailto:mtingus@lee-re.com)



**Agreed & Accepted:**

Sublessee:

\_\_\_\_\_  
By

\_\_\_\_\_  
Its

\_\_\_\_\_  
Date

Sublessor:

\_\_\_\_\_  
By

\_\_\_\_\_  
Its

\_\_\_\_\_  
Date



David Hoffberg, SIOR  
Executive Vice President  
Member NAR, AIR/CRE, SIOR  
Broker License #00912890

December 5, 2025

Mr. Sam Glendon  
Mr. Nicholas Casante  
**CBRE, Inc.**  
234 S. Brand Blvd., Suite 800  
Glendale, CA 91204

Dear Sam and Nicholas.

Thank you for the Proposal to Lease on behalf of Applied Powdercoat, LLC, dated December 1, 2025. I have been authorized by the Lessor to respond as follows:

into a Lease Agreement:

1. **PREMISES:** 28008 Harrison Pkwy, Valencia, CA, an approximately  
**Acceptable** 17,301 square foot industrial building.
2. **LESSEE:** Applied Powdercoat, LLC  
**Acceptable**
3. **LESSOR:** DIBA Real Estate Investments LLC  
**Acceptable**
4. **USE:** Lessee shall use the Premises for the operation of a  
**Acceptable** powder coating business, including the use of conveyor systems and batch booths for powder coating services, as well as related activities such as masking, finishing, and ancillary processes necessary to provide high-quality coating solutions.
5. **TERM:** ~~One Hundred Twenty Six (126) months.~~ Sixty-two (62) months.
6. **COMMENCEMENT:** The Lease shall commence ~~January 1, 2026~~ March 1, 2026.
7. **BASE RENT:** On the Commencement Date, the monthly Base Rent shall  
**Acceptable** be \$0.99 NNN per square foot.  
**Acceptable** The monthly Base Rent shall be increased by three percent (3%) per annum.

The NNN expenses are estimated to be \$0.25 per square foot per month.

- 8. OPTION TO EXTEND:** Lessor shall grant Lessee ~~two (2)~~ three (3) additional five (5) year Options to Extend the Initial Lease term. The Option to Extend shall be exercised by Lessee delivering written notice to Lessor not less than ~~three (3)~~ six (6) months before the end of the Lease term. The Base Rental Rate ~~during~~ at the commencement of each Option Period, and annual adjustments, shall be at the current Fair Market Value for similar buildings in the area and taking into account concessions.
- 9. RENT ABATEMENT:** The Base Rent shall be abated for months two and three of the initial Lease Term. Lessee shall pay all NNN expenses during the Rent Abatement Period.
- 10. SECURITY DEPOSIT:** ~~Equal to one (1) month's Base Rent.~~ The Security Deposit amount shall be determined following Lessor's receipt and review of a Lease Application, years 2023 and 2024 Federal Income Tax returns, and year 2025 Year-to-Date Profit and Loss statement.
- 11. LESSOR'S WORK:** Lessor, at Lessor's sole cost and expense shall complete the following:
- Removal of Suite B, as shown in Exhibit A. **Acceptable**
  - Lessor does not warrant the condition of the warehouse area air conditioning.
- 12. EARLY ACCESS:** **Acceptable.** Upon receipt of fully executed lease agreement, total monies due and liability insurance certificate naming Lessor and Lessee as additional insured, and the current Lessee vacating the Premises, Lessor shall grant Lessee the right to access the Premises prior to the Lease Commencement Date, with no obligation to pay Base Rent or Common Area Operating Expenses (if applicable) for the purposes of installing it furniture, fixtures, and equipment (FF&E) within the Premises.
- 13. Environmental:** Lessor reserves the right to conduct environmental studies during the lease Term. Issues found to be present, the source of which is Lessee's use, shall be addressed at Lessee's cost.

**14. Personal Guaranty:** The Principal(s) of Lessee shall guarantee the lease.

**15. Brokerage  
Commission:  
Acceptable** Lessor and Lessee acknowledge that CBRE, Inc.  
(Sam Glendon) is representing Lessee and  
Delphi (David Hoffberg) is representing Lessor in  
this transaction. Commission shall be paid in  
accordance with terms agreed upon in a  
separate written agreement made by and  
between Lessor and Delphi.

Lessee and Lessor acknowledge that this Counter Proposal and any other discussions or correspondence with Lessee's and Lessor's Brokers or agents should not be construed as a binding agreement. Either party may terminate negotiations for any reason or for no reason, at any time prior to the execution and delivery of the Lease Agreement.

Sincerely,

**DELPHI BUSINESS PROPERTIES, INC.**

David Hoffberg, SIOR  
Executive Vice President

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

11766 Wilshire Blvd., Suite 730, Los Angeles, CA 90025

A true and correct copy of the foregoing document entitled (*specify*): **Debtors Status Update in Support of Opposition to Motion of First Bank of the Lake to Convert or Dismiss Case, or in the Alternative, Remove Debtor from Possession; Declaration of Osei Appiagyei in Support Thereof** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) December 9, 2025, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

See attached NEF Service List

☒ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**: On (*date*) \_\_\_\_\_, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) \_\_\_\_\_, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Pursuant to the Courtroom Policies and Procedures of the Honorable Ronald A. Clifford III, Judge's copies are not required.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

December 9, 2025  
Date

Martha E. Araki  
Printed Name

/s/ Martha E. Araki  
Signature

In re APPLIED POWDERCOAT, LLC

Case No. 9:25-bk-10762-RC

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):**

- Attorneys for Debtor Applied Powdercoat, LLC: **Derrick Talerico, Paige T. Rolfe**: dtalerico@wztslaw.com; prolfe@wztslaw.com; maraki@wztslaw.com; sfritz@wztslaw.com; admin@wztslaw.com
- Subchapter V Trustee: **John-Patrick McGinnis Fritz (TR)**: jpftrustee@lnbyg.com; jpftrustesolutions.net
- Attorneys for Creditor Expert Staffing West: **Joseph Boufadel**: jboufadel@salvatoboufadel.com; gsalvato@salvatoboufadel.com; gsalvato@ecf.inforuptcy.com
- Attorneys for Creditor Hagan Capital, LLC: **John D Faucher**: j.d.faucher@faucherlaw.com; faucherecf@gmail.com; johnd.b113858@notify.bestcase.com; p.askren@faucherlaw.com
- Attorneys for Creditor Employnet, Inc.: **Nicolino Iezza**: niezza@spiwakandiezza.com
- Attorneys for Interested Party First Bank of the Lake: **Bernard J Kornberg**: bernie.kornberg@millernash.com; edgar.rosales@millernash.com
- United States Trustee (ND): ustpreion16.nd.ecf@usdoj.gov; **Brian D Fittipaldi**: brian.fittipaldi@usdoj.gov